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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

DDI-231-75

24 JAN 1975

Professor Kenneth W. Dam
The Law School
The University of Chicago
1111 East 60th Street
Chicago, Illinois 60637

Dear Ken:

Thank you for sending us your draft paper for the Murphy Commission which discusses the role of economic intelligence. It is a perceptive and clear presentation on a rather complex problem, and I have no suggestions for changing this splendid paper.

I share your views on a number of important points:

--the growing importance of economic intelligence.

--the usefulness of competition in economic analysis for the formulation and implementation of economic policy.

--the value of assessments independent of policy but responsive to policy needs.

--the necessity for closer communication between intelligence producers and consumers.

I also agree that, although CIA's economic analytical functions could be performed in other organizations, the alternatives all have one or more drawbacks.

Moreover, I feel strongly that collection of economic intelligence can be improved only with close contacts between collectors and producers, and I believe we have been making substantial progress in this respect, especially during the past two years. An organizational structure which separates intelligence analysis from collection would jeopardize the kind of informal personal guidance that helps greatly to make collection relevant to current needs.

MORI/CDF

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You may be interested to know that action is being taken along the lines of some of your specific suggestions. In particular, the Requirements Advisory Board, which had been inactive since your departure, has been recreated as the Economic Intelligence Subcommittee (EIS) of the National Security Council Intelligence Committee. It will be chaired by the Assistant Secretary of the Treasury for International Affairs and my National Intelligence Officer for Economics will be its Executive Secretary. We expect the EIS to provide a useful mechanism for high-level consumer guidance on important economic intelligence concerns.

We have followed a policy of maximum openness in substantive discussions with other Government economic units and have greatly increased the number of unclassified economic publications. It has also been my policy to surface dissenting views on important intelligence questions rather than hide them beneath a bureaucratic compromise. Major Intelligence Community publications now spell out alternative views on major questions and include articles presenting the views of individual analysts under their own name.

Please let me know if we can be of any further assistance to you.

Sincerely,

/s/ Bill

W. E. Colby
Director

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Letter to Professor Kenneth Dam
From the Director of Central Intelligence
Subject: Dam's paper on Economic Intelligence and Analysis

STAT

CONCUR: [redacted]
Deputy Director for Intelligence

22 JAN 1975
Date

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